Chapter 1

Meeting the Challenges of the Global Century

Stephen J. Flanagan

Mastering the challenges of the 21st century will require governments and citizens everywhere to see, think, and act globally—in ways never demanded of them before. In previous centuries, the course of history was determined largely by events in only a few regions, particularly Europe and North America. The world's continents existed mostly apart, not influencing each other a great deal. No longer. During the 21st century, the struggle for progress and prosperity, as well as the questions of war and peace, will be influenced by events in many disparate places. Events at the far corners of the Earth are already starting to affect each other to a greater degree than in the past. This is happening because of a fast-growing network of ever closer ties.

This immense transformation is being propelled by globalization: a powerful, dimly understood process of worldwide change that has exploded onto the public consciousness only recently, but has major implications for international security affairs in this Global Century. The two companion volumes of this set offer a comprehensive assessment of globalization's interrelated facets and strategic impact. In order to shape the evolution of international affairs in this Global Century, the United States—as well as its allies and friends—needs a foreign policy and national security strategy that draws, in an integrated fashion, on many disparate elements of state power. In support of this strategy, military planners will be asked to maintain a full spectrum of capabilities from more nuanced peacetime engagement, to regional conflict management, to theater war fighting. No one can claim to know where the 21st century is headed. In many ways, we are staring into a dense rolling fog, seeing little clearly, yet sensing an opportunity for great progress, as well as great danger. The imperative facing us is to help guide the future in ways that will make the Global Century a period of widening prosperity and peace.

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Globalization: Here to Stay

Globalization is not a passing intellectual fad. Rather, it aptly describes the new era that is emerging from the shattered glacis of the old Cold War divide. This era is built on a truly global economy that is powered by the accelerating pace of transport, telecommunications, and information technology. Globalization makes it harder for states to live in isolation from one another.

The emerging global system is rapidly eroding the old boundaries between foreign and domestic affairs, and those between economics and national security. Developments in one sphere are increasingly having rapid and sometimes surprising impacts on the other. Coming to grips with the challenges of the global era requires transforming the way we think about the world and formulate policy. It requires more synergy and dynamism in the development of economic, security, and other government policies.

Protesters at meetings of the International Monetary Fund (IMF) around the world have painted globalization as an unmitigated source of evil, with devastating consequences for the developing world. The Clinton administration's *National Security Strategy*, published in December 1999, portrayed globalization as an important and largely positive force that is fostering international integration. The contributors to the two volumes of *The Global Century* show that globalization's effects are mixed and uneven across different regions and within various countries. Globalization has many elements that are of evident benefit to all; for example, the new ease of global communication and transportation has boosted trade. But these very same innovations have facilitated the growth in transnational crime and weapons proliferation, which have negative consequences around the world. This dichotomy is reflected in the following statistics:

> Flows of U.S. trade and investment are now equivalent to more than 30 percent of U.S. GDP [gross domestic product]. But in this global economy, the United States is increasingly affected by crime originating in other countries. Almost 40 percent of the cases being handled by the U.S. Federal Bureau of Investigation today, from telemarketing fraud to car theft to money laundering, have an international dimension.[1]

In responsive, adaptive (generally democratic) countries, globalization is fostering stability and prosperity. However, most countries with weak or authoritarian governments must now struggle mightily just to keep pace in the global marketplace. The widening gap between them and the rest of the world is yielding internal turmoil and regional instability. Still others are falling further and further behind the norm, unable to compete in the global economy and buffeted by many of globalization's negative consequences. The resulting economic and social disparities have sometimes exacerbated ethnic tensions and historical intercommunal grievances, and they have helped to spawn terrorism and armed conflicts that are placing new demands on international and regional institutions. For example:

- The Asian financial crisis intensified ethnic tensions and instability in Indonesia that ultimately led to the need for a United Nations (UN) peacekeeping operation in East Timor.
- The former Yugoslavia was largely cut off from the global economy because of its lack of market reforms and its authoritarian rule. The resulting economic stagnation exacerbated ethnic and regional tensions in the country. Ethnic Albanians used the Internet to raise substantial funds for the Kosovo Liberation Army, while Serbian reformers used the Internet to skirt government censorship.
- Criminal gangs in Sierra Leone have financed their insurrection through sales of diamonds on the international market.

Welcome to the Global Century.

The challenge for the United States and other countries is to take advantage of globalization's opportunities while minimizing its dangers. But addressing this challenge requires a better understanding of globalization and its effects. It also requires new, more integrated policy approaches and mechanisms for decisionmaking that will foster sound policies. Despite official recognition of globalization as a major factor in the international system, most components of the U.S. Government have been very slow to adapt structures and processes accordingly. Security, economic, science and technology, and law enforcement policies that are essential to coping with the challenges of the global era are still developed largely in isolation from one another. These policy streams are generally integrated only at the highest levels and only when necessitated by a crisis.

Key Features of Globalization

Globalization's Hydra-Headed Manifestations

Globalization is a long-term process of change, not a static condition. It comes in many forms, of which economic globalization is only one. The central features of globalization are the rapid, growing, and uneven cross-border flow of goods, services, people, money, technology, information, ideas, culture, crime, and weapons. Owing to globalization, the pace of international activity is increasing.

Globalization's core features are addressed in a highly integrated fashion by Ellen L. Frost in volume I. These key features are also treated, in varying degrees, by many other chapters in both volumes. While the contributors offer a wide range of opinions, they also reflect a strong consensus on globalization's properties and strategic consequences.

Globalization is merely one factor in the international arena, where many other trends and dynamics are at work. The key to analyzing its impact is to understand how it is interacting with the other factors. Globalization is capable of bringing the world together, tearing it apart, or facilitating some combination of both. Much will depend on how key countries react to it.

Globalization is not entirely new. A global economy began to emerge at the end of the 19th century and continued to develop through the 1930s. The process was

disrupted by the two world wars and the Cold War. It was not until the 1970s that trade as a percentage of global output reached the level that it had achieved before World War I (15 percent). This was because trade protectionism, nationalism, global conflict, and the rise of the communist bloc had slowed the effects of globalization. This could happen again. Globalization is a powerful force, but it is not unstoppable or completely impervious to governmental actions.

Alan K. Henrikson's chapter in volume I explains how the globalization of U.S. foreign policy, which actually began a century ago and is continuing today, has not been driven by ideology or a grand strategy. Rather, it has emerged as a logical response to events and to connections between and among diverse situations where U.S. interests are at stake. Yes, the world is globalizing, but equally important, U.S. foreign policy is steadily becoming more global in its thinking, its logic, and its concepts.

Globalization today does have some marked differences from that in the past. For example, from the late 1970s on, the *integration of capital and commodity markets* has surpassed all previous indicators and is still spreading.[2] This reflects a fuller realization of the institutional framework created after World War II to promote global trade and growth, and to settle disputes according to agreed-upon rules. The postwar boom in East Asian economies and improvements in transportation technology are also key drivers of economic globalization.

What is most unique about globalization in the current era is the *revolution in information technology*, accompanied by the spread of cable television, the increasing number of personal computers, and the instant availability of information. One of the key hallmarks of globalization is the emergence of the Internet, which has the effect of spreading knowledge to the far corners of the Earth.

As Frost illustrates in volume I, there are several other foundations and enablers of globalization in the current era. The success of the Western policy of democratic enlargement has yielded a larger group of states well prepared to embrace the challenges of globalization. The passing of socialism and the triumph of market-oriented economic policies in much of the world have been key drivers as well. Also influential have been the knowledge revolution, business-driven interaction of advanced telecommunications, technology transfer, and capital flows. Globalization would not be occurring in its present form were it not for the business application of the knowledge revolution—for example, computers, email, satellites, and other innovations. A related driver of globalization is *market competition*. The current phase of globalization first appeared in commercial and economic form. Beginning in the late 1970s, breakthroughs in transportation and communications technology, a general lowering of trade barriers, and a worldwide shift toward market-oriented policies transformed the structure of global business.

Globalization's Risks and Benefits

Globalization is having a number of effects—economic, political, cultural, religious, social, demographic, environmental, and military—with various attendant risks and benefits. Understanding these aspects of globalization is important because the interaction among them can be benign or destructive, and it can trigger new security

problems in which the United States may be called upon to intervene. While globalization can lessen tensions, it can also increase them.

Most economists applaud economic globalization because they place a high value on *efficiency*. They argue that the more global the scale of the market, the more efficient the allocation of resources. Several major studies have concluded that nations with open, market-oriented economies have grown at least twice as fast as those with closed economies, and in the 1970s and 1980s the disparity was even higher.[3] Never before in history have so many people in so many countries experienced a rise in real income. However, other statistics in the poorer regions, including rapid population growth, environmental degradation, and disease, are far less encouraging. What is hotly debated is to what extent globalization has exacerbated poverty in various parts of the world. In the eyes of globalization's critics, there is a direct, causal relationship between globalization-fed corporate profits and global poverty.

The potential of economic globalization to wreak great turmoil rapidly is becoming more evident. The speed, volatility, and sudden withdrawal of financial flows sent a number of countries spinning into recession in 1997–1998. This was the first real "crisis" of globalization. The collapse of the Thai *baht* pulsed through most of Asia and then to much of South America, ravaging the economies of Brazil and its neighbors. The collapse of confidence associated with the Asian crisis ultimately spread to Russia, crippled what was left of the Russian economy, and brought forth a younger, technocratic leader to clean up the mess. This was not a predictable chain reaction. This experience leads David J. Rothkopf to argue in volume I that new transnational institutional and regulatory frameworks are needed to temper the potentially destructive impact on smaller states of highly volatile international financial markets.

The speed of changes in income and its distribution within and among countries can also rock political stability. As a general rule, globalization offers rising elites and the urban middle class a bigger share of the economic pie. If this share increases too rapidly, and if the rest of the pie is not made available to others because of monopolies or corruption, the government can lose its legitimacy, as it did in Indonesia. If the speed of change is glacial because the government has deliberately isolated its citizens from globalization and restricted the free flow of information, disgruntled students and merchants may complain or rebel, as they have in China and Iran. Likewise, the uneven distribution of direct foreign investment in the developing world—three-quarters goes to fewer than a dozen countries, with the Middle East accounting for only a fraction—will intensify a widening income gap *within* the developing world.

Income gaps mirror social and geographical divisions both within societies and among countries and regions. In most countries, unskilled laborers, workers in protected industries, and small farmers are increasingly at risk of rapid dislocation due to external developments. What is politically important is the perception of prosperity relative to that of other groups or states. Globalization exposes these fissures and often exacerbates them.

The digital divide, the growing divergence between those who have access to, and are capable of using, computers and the Internet, and those who are left behind is another trend of concern. Information is a critical element of political empowerment. As a recent task force concluded, the challenge is to adopt the right mix of public

policies and public-private projects, possibly spearheaded by the G–8 group of world leaders, to create a "global digital opportunity" instead of a threat.[4]

Some lessons of economic globalization are clear. If a government pursues market-oriented policies that benefit the ruling elite or the middle class at the expense of the poor, if inadequate disclosure and weak supervisory organs trigger a run on the banks, and if social safety nets are weak or absent, openness to globalization can severely destabilize the political system and hurt the most vulnerable members of the population. Since people in other countries tend to assume that the United States pulls the strings of the World Bank and IMF, financial crises of the Indonesian variety not only evoke a legitimate humanitarian outcry, but they also ignite anti-Americanism.

Cultural dimensions of globalization are also being felt. The worldwide predominance of American business practices and popular culture, facilitated by the globalization of the communications and entertainment industries, has raised anxieties and backlash among elites in some countries who fear the loss of their own cultural identity and in some areas of the world where the national identity is weak or recently formed. Popular culture has fostered the learning of English, the language of international communication, which has accelerated the global flow of ideas. Cultures that are capable of borrowing and adapting foreign influences are generally faring better in the face of globalization. But globalization has also helped spawn awareness of traditional cultures that face the threat of extinction.

Globalization is facilitating the spread of religious ideas, rather than destroying religion. The strength of religious values and institutions has helped people in many regions cope with the alienation, the insecurity associated with the decline of traditional authority, and the rapid economic changes that accompany globalization. Indeed, much of the violence that is sometimes described as religious is actually political backlash associated with globalization. Douglas M. Johnston shows how globalization is accelerating the revival of religious and cultural identities once thought to be in decline. Political Islam is one example, but not the only one. Although cultural wars are unlikely, he says, communal conflict is becoming a hallmark of globalization. Moreover, a backlash is building against Western values and practices, which often are perceived as demeaning and exploitative. Religion and culture can also contribute to peace if their moral values are properly nourished. The challenge, Johnston says, is to separate the good from the bad.

Globalization is also having a profound impact on where people live and on the health and welfare of women. Global agribusiness and other changes associated with globalization are propelling urbanization. The global flow of business is being accompanied by a global flow of people, with more than 120 million migrant workers in 2000, nearly double the number in 1965. These flows bring in people with energy to work hard in building a new life or to accept menial jobs that more affluent societies have difficulty filling. But they also bring enormous social and health problems. Many women have taken advantage of the opportunities accompanying globalization to participate in the labor force.

For all these reasons, the once popular idea that globalization is an unbridled good, fostering progress everywhere, is fading. Replacing it is a recognition that

globalization has positive and negative effects. The challenge is to absorb the good effects and limit the bad effects.

Democracies Cope Better with Globalization

As several contributors note, the widening income gap both within countries and between countries and regions that are adapting relatively well to globalization and those that are left behind should be a matter of growing concern to national security strategists, not just international development experts. In volume II, Laura Rozen chronicles how the global debt crisis of the 1980s exacerbated the economic crisis in the former Yugoslavia. In turn, this economic reversal polarized the richer and poorer regions of the federation and fueled the ethnic tensions that led to separatist movements and war. Sudden shifts in wealth can also cause backlash toward successful ethnic minorities. Extremist movements can often attract those uprooted or fearful of globalization. There is a real risk that these governments or substate actors within them will become more hostile to the West and more aggressive. Moreover, the countries that are falling behind in the global economy are found in regions of the world with simmering interstate and intrastate tensions; among these countries are many that support terrorism and are actively pursuing the development of weapons of mass destruction (WMDs).

Governments that want to attract global investors today know that they must strengthen the rule of law and their judicial systems, particularly with respect to commercial transactions. However, in countries where the legal and institutional structures are weak, globalization has generally intensified the problems of bribery and corruption, and facilitated the development of criminal networks. Corruption and crime not only divert resources, but they also damage public confidence in a market economy. In the area of public works, crime and corruption jeopardize public safety and can severely damage the environment. In these circumstances, "it becomes all too easy for an economically beleaguered public to confuse democratization with the corruption and criminalization of the economy—creating fertile soil for an authoritarian backlash and engendering potentially hostile international behavior by these states in turn."[5]

Kimberley L. Thachuk shows in volume II how organized crime, drug trafficking, and terrorism, aided by the Information Age, are rapidly growing, to the point where they already form a sinister underbelly of globalization that threatens the security of all countries, including the developed democracies. These criminal activities also have the potential to infect world politics on a larger scale by creating criminal states that seek economic profits through illicit activities and use their military power accordingly.

Certain societies with a flexible social structure, respect for the value of shared information, and openness to new technology are well suited for the global age. There is considerable evidence that the political cultures that adapt most successfully to economic globalization feature *accountable and adaptive institutions based on some minimal level of civic trust.* Attitudes toward work, education, entrepreneurship, and the future are important. Policy choices can help to promote the right mix.

Broadly speaking, the political cultures of North America, Western and Central Europe (not including the Balkans), most of East Asia (including Southeast Asia,

Australia, and New Zealand, but not Indonesia and North Korea), and a few South American countries (Chile and Brazil) are either adapting relatively well to globalization or have a good chance of doing so if transitional political problems can be resolved. China and India remain uncertain because they are confronting enormous internal problems and because some regions within their borders are adapting far better than others. Significantly, the successful countries are either "free" or "partly free," that is, democracies or "soft" authoritarian states with substantial democratic features. But even the most effective democratic polities are hard-pressed to cope with some of globalization's challenges and increasingly are seeking support from foreign governments and international institutions. This is another manifestation of political globalization.

By contrast, with some exceptions, nations located in a huge swath of contiguous territory ranging from the former Soviet Union through the Middle East and South Asia to sub-Saharan Africa are presently ill suited for globalization. They exhibit some combination of weak or closed political institutions, inflexible or divisive social cultures marked by vengeance and distrust, predominantly tribal or clan loyalties, and excessive regulation accompanied by a high degree of corruption. Much of the Andean region and the Balkans are also adapting poorly to globalization.

The growth of international communications has contributed to a new global political awareness. Television and the Internet have, to paraphrase the late Thomas P. "Tip" O'Neill, made all local politics global. Moreover, as Samuel Feist explains in volume II, the global village is shrinking as new technologies are making it far easier to broadcast and receive news worldwide. These communications innovations have had many positive effects. They have facilitated media exposure of abuses of official power, diffused norms of democracy and human rights, and heightened awareness of environmental problems and regional conflicts. Because markets need information to function properly, the Chinese and other authoritarian governments that also want to play in the global economy are finding it increasingly difficult to control the flow of information. Over time, these pressures toward greater openness could stimulate political liberalization. However, these developments also present new challenges for U.S. policymakers. As Feist notes, modern news organizations are international, not national actors. Their reporting can accelerate the pace of political conflicts and subject military operations to daily, and sometimes unhelpful, scrutiny.

Also, while the pervasive, instantaneous reach of the international media is creating a global living room, this awareness has not always galvanized international responses to crises. The so-called CNN effect, the notion that heightened awareness of human suffering forces government responses to crises that may be of peripheral interest, is overstated. While European and U.S. citizens pressed their governments to respond to graphic media reports of atrocities in the Balkans, there were no such demands for responses to equally horrific suffering during conflicts in Rwanda, Chechnya, and Afghanistan. These other cases were not assessed to be as important or compelling. Thus, geopolitical and other filters appear to be able to temper the CNN effect. Moreover, additional information can actually make it harder to sort out national interests in various crises.

Leslie David Simon notes in volume II that the "Net," the ever expanding global communications network linked together by the Internet, which is both a product and instigator of globalization, is spreading information, changing business and governmental institutions, creating enormous new wealth, and generally strengthening democracy. But he cautions that the Net cannot itself eliminate security problems and dangers associated with its development. Simon recommends further steps by government and business to protect critical infrastructure. Martin C. Libicki reminds us in volume II that other international networks, such as those for commodities and finance, are also vulnerable to certain faults, with disruptive ripple effects on other nodes.

Globalization's Impact on the International System

Globalization is doing more than reshaping the world economy and communications. It is also shaping international politics and security affairs. Here, too, the effects are uneven and hydra-headed. In our globalizing world, many contradictory things are happening at the same time and will be for the foreseeable future. States are losing power; states are not losing power. Some groups dream of nationhood, others have only recently won it, and members of the European Union (EU) are moving beyond it. Depending on the area, the rule of law is on the rise or breaking down. Local culture is threatened or flowering. Religion is fading away or undergoing a revival.

Shaping International Politics

Globalization does not necessarily foster integration or stability, as columnist Thomas L. Friedman and economist Dani Rodrik have suggested.[6] Actually, in the near and medium term, globalization appears to contribute to several simultaneous tensions that are shaping the current era of international politics—for example, fragmentation-integration, localization-globalization, and decentralization-centralization. Globalization is speeding up the pace at which unifying change is occurring, but it is also providing an environment conducive to many of these disintegrative trends. These simultaneous forces for integration and disintegration are aptly described by James N. Rosenau as *fragmegration.* Rosenau argues that only through such change can democracies prosper and that antidemocratic systems benefit from political stasis. He concludes that national governments are generally losing power to transnational forces.

Globalization is creating a new context for the formal and informal exercise of national power. Regional and international institutions, local governments, and nonstate actors, particularly large transnational corporations and some nongovernmental organizations (NGOs), are making use of some of the instruments of globalization and diminishing the nation-state's monopoly on power. Some power is shifting to the international arena (for example, both the spread of and fight against organized crime and terrorism); some power is shifting down to local levels (for example, citizen mobilization through email and the Internet); and new power centers are being created as NGOs and corporations use the tools of the Information Age to shape policy outcomes (for example, Seattle protests against the World Trade Organization [WTO]).

In Europe, Latin America, and Asia, regional economic agreements are becoming a dominant expression of relations among states, particularly on trade, giving regional structures such as the European Union, the Association of Southeast Asian Nations (ASEAN), and the Southern Cone Common Market (MERCOSUR) a geopolitical personality. As Charles B. Shotwell notes, globalization is leading to the writing of new international laws and to expanding roles for such organizations as the WTO and the United Nations. This development offers the promise of creating better ways to help regulate global conflict in economics, politics, and security affairs. But outside the transatlantic community, regional security arrangements are evolving more slowly and are likely to remain informal and flexible.

Changing Nature of Security

Globalization does not eliminate traditional geopolitical concerns. National governments and various substate actors are not motivated by economic gain alone. There are still many lingering political conflicts over territory, borders, military competition, resources, and ethnic and cultural differences. Such stresses and strains on geopolitics continue to coexist and interact with the emerging global system. Sometimes globalization mitigates these stresses and strains, and sometimes it exacerbates them.

Indeed, as Robert E. Hunter and Jonathan T. Howe note, while the world economy is integrating as a result of the globalization of finance, geopolitical affairs are fragmenting along regional lines. In the absence of the bipolar political confrontation, regional political and security affairs are safely unfolding independently, with little linkage to or impact on developments in other regions. While this situation reduces the risks of regional tension triggering a wider global conflict, a pattern characteristic of the Cold War period, it has exacerbated instability in key places.

Control of energy resources (both oil and gas) and access to them are re-emerging as critical issues in world politics, as Martha Caldwell Harris (volume I) and Patrick L. Clawson (volume II) explain. Globalization is increasing demands for energy in order to propel economic growth. Although the world supply seems likely to match the demand in the coming years, the United States and its industrial partners will remain dangerously dependent on oil from the Persian Gulf and other unstable places. This especially is true for Asia, whose dependence on Persian Gulf oil is growing. This dynamic has the potential to create new forms of international political conflict.

Ideas still matter in the global era, as Esther A. Bacon and Colleen M. Herrmann demonstrate in their survey in volume II of foreign policy models. These authors find a spectrum of ideologies, values, and beliefs around the world today, all animated by a mix of economics, politics, and security. One model is democratic enlargement and participation in capitalist markets. But other models include national interests, nationalism, strategic preservationism, outlaw behavior, and state survival. They argue that the main effect will be to produce a world of great diversity as globalization gains momentum.

Overall, globalization is leading to a new, largely bifurcated international structure. It is divided between those countries that are well integrated into, and committed to, the evolving norms of the global economy and those countries that are either being left behind by, or may seek to challenge the norms of, the emerging global order.

- This first group is composed of about 80 to 100 countries that share a commitment to democracy, open trade, and collaborative relations. This liberal, democratic, and peaceful *global core group* includes the countries of North America, Western and Central Europe, Japan, most of East Asia, and the southern half of Latin America. Within this group, there is an inner core of about 30 countries (EU members, Canada, Japan, and a few other Asian countries) with per capita GDPs in excess of $20,000, well above the $7,000 world average. Another 50 states in Latin America, Asia, and parts of Africa that are struggling to keep pace and make progress comprise the outer core of this group.
- The countries that are largely being left behind by the emerging global economy are in sub-Saharan Africa, the Greater Middle East, much of the former Soviet Union, the northern half of Latin America, and several states that have placed themselves outside most international norms (for example, Iraq and North Korea). This group has a per capita income well below $6,000 a year and finds it difficult to transform and adapt to keep up with the core group; these are the *global outliers*.
- The outlying group includes several powerful countries whose likely evolution is uncertain. They could emerge as even larger mainstream players in the global economy, they could suffer further internal turmoil and fragmentation because of their inability to cope with the effects of globalization, or they could choose to take advantage of some of globalization's facets while largely challenging the norms that they find objectionable or incompatible with their national interests. This group includes China, India, Russia, and Iran. In the first three countries, there are sections well integrated into the global economy. But overall, these societies and their political structures are not well suited for energetic participation in the global economy. Some of these governments and their citizens may actively resist playing by some of its rules. They could opt to become more integrated into the global system or participate in it fitfully or in ways that are advantageous to their national interests, as they focus on bolstering their regional power status. They are either ambivalent toward, or willing to actively challenge the norms of, the emerging global system.

One key variable will be the extent to which the governments on the outer core of the democratic community can strengthen their political structures and restart their economies so that they can join the inner core and fully partake of the growing prosperity and stability. Absent changed policies, most of the outliers will likely suffer from continuing political and economic stagnation and the instability that accompanies it. Most of these countries are likely to see continuing turmoil and conflict, as they are buffeted by the forces of globalization and unable to take advantage of its most positive features. This scenario could be altered for the outer core democracies and globally disadvantaged countries if they prove willing to pursue the policies and structural adjustments required to flourish in the Global Century. In this context, activist policies of engagement by the global core group could help promote prosperity, democratic development, and effective conflict prevention and management.

Where is this bifurcated international system headed? The scenario for major progress rests on the hope that democracy, market economics, and multilateral cooperation will spread outward from the democratic core, eventually encompassing most of the rest of the world in a stable global order. A less attractive scenario is that the world will remain as it is today, with much of the world outside the democratic core beset by struggle and economic hardship. The most worrisome scenario is that of a complete collapse of the emerging global system brought about by the toxic interaction of widespread economic turmoil, possibly caused by globalization, and new, polarizing geopolitical or sociocultural forces. Such a global economic collapse could trigger trade wars, widespread nationalist extremism, multiple regional conflicts, and general global disorder. Because all three of these scenarios are possible, U.S. policy should be alert to the new requirements being posed by each of them. Policymakers will need to promote progress where possible, address new risks and dangers, and act quickly and decisively to head off a descent into chaos.

Preventing and Managing Turmoil in the Developing World

Traditionally, security has been an external, cross-border concept. In the global era, security threats increasingly have transnational manifestations. This has led most of the world's democracies to place a higher emphasis on new forms of security cooperation. To be sure, protection of territory and citizens remain paramount defense priorities, particularly with respect to certain outlaw states of concern. However, economic considerations figure more prominently than in the past in national security policy. As the U.S. National Security Strategy document says, security policies should "promote the well-being and prosperity of the Nation and its people." In this context, security has been more broadly defined to allow the use of defense establishments to deal with damaging environmental disasters or destabilizing population flows. Most of the prosperous democracies are willing to use their defense establishments to help promote and safeguard democratic polities abroad, but there is a preference for doing this through multilateral mechanisms. This is a marked change from the Cold War period, when defense planning was driven by ideological hostility and worst case scenarios. Brooke Smith-Windsor outlines in volume II how Canadian security policy has tried to respond to the challenges of globalization by blending the tools of sustainable development, preventive diplomacy, and diverse military engagements in "human security" operations.

Globalization has exacerbated certain transnational security threats to all states. But the economic and other nonsecurity aspects of globalization also pose significant threats to the internal security and stability of many rigidly controlled or weak states. The collapse of internal control can also have damaging consequences for regional security, as rebel armies, drug traffickers, or extremist religious groups pursue their agendas with little respect for national borders. The developed democracies would be well served by improving the level and coordination of assistance to help these countries improve governance and battle organized crime, corruption, warlordism, and piracy.

Stability in the Cold War required the maintenance of deterrence and preservation of the political status quo. Stability in the global era means peaceful adaptation to change. In this context, the central objective of U.S. foreign and security policy in the

global era should be to shape the emerging world order in ways that protect U.S. and allied interests and common values. The promotion of global norms and institutions for managing change and conflict will be an important element of an effective strategy.

Carol Lancaster shows clearly in volume II that globalization is neither an unqualified blessing nor an unqualified disaster for the developing world. It offers many benefits, but also carries many potential costs in economic volatility, recession, and increasing economic disparities among and within countries. But as Richard L. Kugler notes in volume I, these consequences are likely to lead to considerable turbulence in a wide belt of developing countries. Development assistance and other elements of regional engagement should be better coordinated with defense strategies designed to head off regional conflicts and the quest for WMDs. Similarly, regional security cooperation and the engagement of Armed Forces with a wide circle of allies and partners should be part of an integrated economic, political, and military strategy stretching from the Middle East through South Asia and into Southeast Asia. The developed democracies can react to, and cope with, this turmoil, or they can engage in more focused preventive actions.

David P.H. Denoon makes a compelling case that investment in sustainable growth should be seen as a national security goal as well as a foreign assistance priority because, in the less developed countries, stability is more likely to accompany steady, sustained economic growth. Greater stability could mean reduced demand on the prosperous democracies for military intervention. Thus, greater investment in sustainable development policies aimed at the developing countries to head off crises and help them cope with the challenges that globalization presents is a logical step.

How should this assistance be focused? Neither a global social safety net nor redistribution of the world's resources appears to be the most effective answer. As Lancaster argues, good governance and political leadership have been key factors in determining the economic performance of developing countries. These factors will also have enormous impact on their ability to cope with globalization. Thus, this is where the industrial democracies should allocate their assistance funds. The goal of such assistance should be to support the evolution of accountable, flexible domestic institutions that foster free choice, diversity, and autonomy.

Government assistance to these countries should complement the activities of nongovernmental organizations. Development assistance and other elements of regional engagement should be better coordinated with defense strategies designed to head off regional conflicts and the quest for WMDs. In addition, regional security cooperation and the engagement of Armed Forces with a wide circle of allies and partners should be part of an integrated economic, political, and military network of local and transnational nongovernmental organizations. Globalization has strengthened the effectiveness and reach of NGOs, and their efforts can be leveraged through more effective public-private partnerships. Finally, the developed world needs to give greater attention to the impact of its financial, energy, and trade policies on the developing countries.

The U.S. defense establishment can make a positive contribution to this effort through a more creative peacetime engagement of military forces. The inculcation of democratic values and effective civil-military relations in the developing world

through military training and education can contribute to the management of peaceful change in developing societies. As Harlan K. Ullman, Bradd C. Hayes, and Stephen Benson argue, this kind of peacetime engagement will be an increasingly important element of a naval strategy that more and more often has emphasized influencing events ashore. This kind of engagement can have tremendous payoffs in that it can help countries avoid turmoil that might create new demands for international peacekeeping operations or other kinds of intervention. This engagement can help to build familiarity with operational practices and the patterns of cooperation that can later facilitate the development of coalition actions.

The global era demands new approaches to managing change and containing crises that draw upon and integrate the full range of tools available to the United States and other developed democracies. These approaches should include more holistic strategies that take into account the relationship between such diverse instruments as the programs of the international financial institutions, bilateral democracy promotion programs, activities of NGOs, and aspects of military engagement, particularly the Theater Engagement Plans of the major regional commanders in chief (CINCs). All these elements need to be brought to bear in efforts to manage change and shape the international security environment in positive ways.

For their part, governments of developing countries can help smooth their adaptation to globalization by pursuing such policies as strengthening the rule of law, dismantling unnecessary regulatory restrictions, promoting education, punishing corruption, fostering inclusion, guaranteeing the peaceful transfer of power, emphasizing the adaptive elements of the prevailing political culture, and, where feasible, deepening trade and investment relationships with neighboring countries. These steps are far more important than geography and natural resources. Countries that are resource-poor, have no seaports, or lack navigable rivers have to try harder, but if the policy climate is right—and if their neighbors are not waging war on them—they can often find a niche. Successful adaptation depends on the strength, flexibility, responsiveness, and openness of institutions; the cultures in which those institutions are embedded; and the ability of individual leaders to shape those institutions and cultures for the new era.

Globalization's Uneven Regional Impact

The globalized world of the early 21st century will not be a homogenous place. Great differences will still exist among the world's multiple regions. The regionally oriented chapters in volume II explore the impact of globalization on current affairs in each region, and the interplay between regional economic and security affairs, which will be key in determining patterns for the coming decade and beyond.

Richard L. Kugler portrays Europe as a showcase of globalization because it is adopting broad regional norms, unifying, and becoming peaceful. In adapting the North Atlantic Treaty Organization (NATO) and the European Union to the new era, Europe has been developing a stable post-Cold War security structure in tandem with economic and political integration. Nonetheless, he notes, Europe faces challenges in wisely guiding its internal unification, establishing cooperative relations with Russia,

and dealing with still stressful security affairs in the Balkans, Turkey, and the Mediterranean. Beyond this, Europe faces the added challenge of determining how it will play a larger role in world affairs outside its own continent.

Whereas Europe is integrating, F. Stephen Larrabee writes, Russia and its neighbors are responding to globalization in the opposite way: political disintegration. Russia faces profound troubles in adopting democracy and free markets in a setting of political and economic disarray. While Russia is making some headway in establishing closer relations with Central Asian states in the former Soviet Union, Larrabee says, Ukraine and key Caucasus states have uneasy relations with Russia and seek closer relations with Europe. Because prospects in this region are not bright, the United States will face new challenges in dealing with Russia and its neighbors.

The two chapters on Latin America survey its economic affairs and security prospects. Moisés Naím and Carlos Lozada contend that the current economic situation in Latin America combines the good, the bad, and the ugly—for example, market reforms, poverty, and crime. Looking ahead, they judge that the most likely scenario is the emergence of three separate regional economies in the north, center, and south, with slow, yet steady, progress. But they prefer a "Big Bang" effort led by the United States and Brazil to upgrade the entire continent, and they fear an anti-U.S. backlash against globalization. Luis Bitencourt argues that in contrast to other continents, Latin America faces no major security threats or wars. However, it does face a mounting set of lesser problems for which it is ill prepared—for example, organized crime, drug trafficking, and local violence. He calls for U.S. leadership in overhauling the region's collective security institutions, coupled with economic and political progress to alleviate deep-seated problems.

The two chapters on the Middle East and Persian Gulf explore that region's struggle to cope with a globalizing world. Across the Middle East, with its mostly poor economies and shaky governments, as Kathleen Ridolfo notes, globalization is feared and distrusted. Islamic fundamentalism and Arab nationalism are partial backlashes to it. Yet there are signs of progress: Arab businessmen and modernizing political leaders realize that globalization can be a source of economic and political gains. In the unstable Persian Gulf, Shahram Chubin argues, globalization is creating stress on domestic affairs; furthermore, there is a perception of globalization as a Western effort to impose its political values on traditional regimes. Meanwhile, globalization is not dampening the region's treacherous security affairs, which derive from vulnerable oil fields, military imbalances, and political confrontations. Both contributors call for better tuned and far-sighted U.S. policies in the region.

Surveying Asia's economic affairs, Richard P. Cronin writes that globalization has had many positive effects in triggering market reforms, greater democracy, and faster growth. Yet, the 1997 crisis exposed Asia's vulnerability to abrupt financial shocks and its need for further reforms. Moreover, globalization is having uneven effects, uplifting elites and coastal areas, but leaving the masses and rural areas in trouble. While Cronin judges that Asia's economic progress hinges on stable security politics, Thomas W. Robinson argues that globalization is a disturbing variable, not a fundamental dynamic. Even so, he says, major change is in the winds because China, Japan, the United States, and other countries are all reevaluating their strategic

priorities. The consequence, according to Robinson, may be greater instability if events are not handled properly. Although still poor and internally troubled, China is achieving big economic gains owing to globalization, and India is making progress as well. As both countries gain economic strength, they likely will pursue traditional geopolitical goals rather than integration with the U.S.-led democratic community. The effect will be to lend further complexity to the tenuous security politics of Asia and South Asia. The bottom line is that the United States will face a future of strategic challenges and opportunities there.

P. François Hugo explains that sub-Saharan Africa lies at the backwaters of the modern world economy. This vast continent remains dominated by poverty, weak governments, unstable societies, and outdated economies. At present, he says, globalization is mostly worsening Africa's plight, yet many Africans are now searching for ways to respond. Africa will need outside economic help, but its countries can cooperate in handling the region's often-troubled security affairs.

Thus, globalization's uneven dynamics are having very different regional consequences. Economics and security affairs are interacting as an engine of progress in some regions, but as a source of strain in others. Europe is moving toward peaceful unity, and Latin America is making progress on economic integration and political stability. But Russia and its neighbors are rapidly falling behind the prosperous democracies because of their less adaptive political cultures, declining infrastructures, and distorted or incomplete market reforms. Africa remains poverty-stricken, and the tradition-laden Middle East and Persian Gulf face economic struggles and a stressful security environment. Asia is key, but its economics and security affairs may be pulling in different directions. Emerging events in all these regions make clear that the actions of the United States and its democratic partners can make a big difference in determining whether the future brings promise or peril.

Implications for Security Policy and Military Affairs

Globalization is not bringing geopolitics to an end. Many traditional forms of geopolitics remain active on the world scene, and in some places, globalization is giving rise to new stresses and turbulence in the international system. Taming both the old and new geopolitical dynamics in order to allow for globalization's positive effects to advance will be a key challenge of statecraft. The intelligent use of U.S. military power and maintenance of security partnerships with cooperating countries will be key to achieving this goal.

A Flexible Global Security Architecture

International mechanisms and institutions for coping with the challenges of the global era remain asymmetrical. Just as economic globalization has outpaced other forms of globalization, international economic and financial institutions, and a number of specialized agencies of the United Nations (for example, health and telecommunications), are well developed, with established procedures and norms. In contrast, security institutions and arrangements have remained largely regional and generally

anemic, with the exception of the transatlantic region. This disparity between economic and security institutions is likely to persist for some time. Development of truly global security norms has proven quite difficult, as recent debates over military action against Serbia and maintaining sanctions against Iraq have illustrated. The UN Security Council can function in certain cases, but its structure is outdated and it is frequently incapable of action. Security Council reform should be a priority of a U.S. strategy for the global era. As several contributors note, this will require a willingness to accept some limits on freedom of action so as to ensure the upholding of global principles that serve our long-term interests.

However, this lag in the development of new security structures calls for further strengthening of the instruments for regional cooperation and security in order to contain or reduce existing threats and prevent the emergence of new ones. Sir Laurence Martin (volume II) argues that alliances and alignments will remain a pervasive feature of international politics for some time, even as they must adapt to changing circumstances. Ronald D. Asmus (volume I) chronicles the success of this adaptation in Europe, where the Partnership for Peace (PFP) and the Euro-Atlantic Partnership Council have allowed NATO countries to build a web of political and military cooperation with a wide circle of states. The success of these NATO efforts has been helped tremendously by the incentive of eventual NATO membership, with the security guarantee that membership entails. Still, Asmus argues that if NATO were designed from scratch to handle today's strategic challenges, it would be a very different alliance from the one now existing. Rather than defending Europe's borders, it would focus on addressing new challenges arising outside them. While NATO has begun reforming its policies and military capabilities for such new missions, faster progress is warranted in the coming years.

This process of building coalitions can be achieved elsewhere, particularly if such efforts build on existing alliances and patterns of cooperation. In Asia, the U.S.-Japan and U.S.-Korea alliances are slowly being adapted to meet the needs of an emerging, more complicated security environment. However, as Admiral Dennis Blair has recognized, neither these alliances nor new regional structures may be well suited to new tasks and may not be optimal in certain contexts.[7] It may also be possible to develop patterns of cooperation in bilateral and limited multilateral settings that can be drawn upon in times of need to form variable geometry coalitions. New security communities, based on certain shared interests in the global era, can be developed to enable a wide group of states to work together to safeguard these interests. For the United States, this will require some adaptation of standard operating procedures. Rather than expecting a diverse array of Asia/Pacific partners to adopt U.S. or NATO standards and procedures, as has happened with PFP, the U.S. military may need "multivoltage sockets" to allow a diverse array of forces to "plug into" these coalitions.

A Military Strategy of Shaping and Crisis Management

The globalizing world requires that U.S. military forces remain strong and well prepared. But U.S. forces cannot remain static. They must adapt to new challenges and missions, even as they absorb new technologies created by the Information Age.

They will need to be prepared for new forms of warfare, while carrying out new peacetime shaping missions and responding to crises.

Richard L. Kugler and Seymour J. Deitchman point out in volume I that globalization's effects on international security require a shift in U.S. defense strategy from continental Eurasia to a greater focus on the southern and eastern regions of the Eurasian land mass, North Africa, the Middle East, and Southeast Asia and Oceania. The growing turmoil in this contiguous "southern belt" is acquiring greater strategic importance because it can have a significant detrimental impact on global economics and stability, and trigger U.S. security commitments. Significant engagements are also possible in sub-Saharan Africa and Latin America for humanitarian and certain security interests. Coping with these needs will require maintenance of military capabilities to project power rapidly, with a dominant effect, into the outlying world; continued forward presence; and the enhancement of military cooperation with allies and partners. This new strategy will also need to cope with the further proliferation of WMDs—with the attendant potential for escalation—and, as William W. Keller and Janne E. Nolan note in volume II, with enhanced conventional weapons. Challenging urban operations in littoral areas will also likely dominate military actions, for as Deitchman notes, two-thirds of the world's population is concentrated within 250 miles of the coast, mostly in urban areas.

The authors of the military chapters in these volumes broadly agree that the global era calls for a military strategy that combines peacetime regional engagement, crisis management, and maintenance of warfighting capabilities to mitigate and contain likely conflicts in the troubled outer periphery. Deitchman, Kugler, and Anthony H. Cordesman (volume I) argue that robust forces are needed in the coming decades to protect the American homeland, diverse economic interests, and allies from a widely dispersed set of actors—small and large countries and transnational groups—who are well armed and capable of mounting powerful asymmetrical threats. All agree that the main threat to U.S. forces in the coming two decades is not an emerging major peer competitor, but a more diverse set of regional challengers who can prevent the United States and its allies from achieving common goals. These challengers, both states and some nonstate actors, will have more sophisticated weapons, and will also be capable of conducting asymmetrical operations. For example, China need not defeat the U.S. 7th Fleet in actions akin to a second Battle of Midway in order to prevent the United States from executing its strategy in a Taiwan crisis. Similarly, Iran could close the Strait of Hormuz and choke Western energy supplies by simply launching a few naval missiles and mines.

Thus far, U.S. forces have been built and sized for fighting major theater wars. But the reality of the last 10 years, the opening decade of the Global Century, is that they have often operated in multiple, simultaneous lesser regional contingencies.[8] According to a study by Defense Forecasts International, the United States has engaged in 514 lesser regional contingencies during the 1990s, mostly in Asia, Central and South America, and North America (primarily disaster relief operations).

Most of the authors of these military chapters conclude that protection of U.S. interests in this rapidly changing environment is likely to require the maintenance of U.S. forces at least as large as those envisioned by the 1997 Quadrennial Defense

Review. Cordesman likens the world to Jurassic Park, with such diverse threats as regional challengers skilled in asymmetrical threats, proliferation of weapons of mass destruction (WMD) and missile technologies, and growing ethnic and religious violence exacerbated by a widening economic divide. Cordesman concludes that coping with these threats will require engagement in diverse low-level conflicts, major regional contingencies, and widespread peacetime engagement. In contrast, Kugler calls for broadening of the Two Major Theater War (two-MTW) standard in favor of a standard that embraces carrying out normal military missions in multiple theaters short of war; being fully prepared to fight and win a single MTW in various places; and maintaining a large insurance policy for more and larger military conflicts. While it may appear that the force requirements for this approach are similar to the force requirements of today, Kugler and Deitchman argue that in the future this posture must become more flexible and adaptive, and may require selective force augmentation, new overseas facilities, new CINC operational plans, and bigger defense budgets. Deitchman suggests the need for further reorientation of military operations toward expeditionary warfare, with even more dispersed pre-positioning of supplies and equipment, beyond what now exists in Europe, Asia, and in the Indian Ocean region. Deitchman and Kugler note that the Department of Defense (DOD) will need to set priorities and consolidate assets in order to maintain sufficient forces, high readiness, and steady modernization. Kugler contends that improvements to allied force capabilities and coalition arrangements could be as important as enhancing the quality of U.S. forces.

Paul K. Davis (volume I) reaches conclusions broadly similar to those of Kugler. Davis advocates more flexible force structures (including smaller, but more capable Army brigades that are better suited for coalition and expeditionary operations than a brigade is today) and a vigorous pursuit of transformation by full exploitation of the revolution in military affairs (RMA) and by adherence to the operational concepts of the *Joint Vision 2020* plan developed by the U.S. Joint Chiefs of Staff. In particular, Davis notes that the joint experimentation work being sponsored by the U.S. Joint Forces Command—which includes two large integrating concepts, Rapid Decisive Operations and Attack Operations Against Critical Mobile Targets—may offer important insights on improving military operations in the global era. Davis notes that while U.S. allies and partners will most often need forces "for peacekeeping and some moderately stressful peacemaking," they, too, will need to undertake certain restructuring and modernization to ensure the effectiveness of coalition operations.

The Armed Forces will need to be able to operate jointly, using more tailored packages with all the benefits of the larger structure that provide global reach, including lift, intelligence, and communications. The United States needs forces and command structures that are more flexible and capable of responding on short notice to dynamic situations. Solveig Spielmann (volume I) and Theodore Roosevelt Malloch (volume II) argue that these military challenges are similar to those that economic globalization has presented to business. They urge DOD and the services to learn from the experience of the corporate world in renewing and restructuring their operations. In particular, Spielman urges effective exploitation of the advanced integrated information systems and revamping of personnel practices. Two chapters in volume

II address the challenges posed by certain states of concern that are determined to challenge current international norms. Kori Schake and Justin Bernier note how current U.S. efforts to isolate these states and subject them to sanctions are eroding in the face of globalization. They argue for a new policy that would employ financial interventions with narrower, more targeted sanctions. William Miller explores how the acquisition of WMDs and effective delivery systems by these countries of concern will make them more potent adversaries. Miller notes that while U.S. nuclear and conventional superiority will still provide Washington with considerable leverage in a crisis, maintaining a full range of options will require new force employment doctrines and development of missile defenses.

Growing Demands on Naval Forces

U.S. naval forces are well suited to the challenges of the global era. Their inherent flexibility and broad range of capabilities allow them to perform the spectrum of likely missions in the Global Century, ranging from peacetime presence and engagement to crisis response and countervailing military action. Naval forces have a distinct advantage in crisis response, given the rapidity with which they can transition from peacetime presence missions to wartime operations. All the naval analysts agree that the Navy's peacetime presence and overseas engagement activities are critical and will remain so. Indeed, Stephen Benson calls for the issuance of an overarching U.S. naval engagement policy and support for engagement planning and assessment. The naval contributors also agree that operations in the littoral areas and with coalition partners will become increasingly important and that the pace of these operations will require effective exploitation of the latest information technologies. However, they offer differing perspectives on the relative priority of other traditional Navy missions and on the size and composition of naval forces.

Seymour J. Deitchman argues that a robust Navy, structured largely as it is today with carrier battle groups, amphibious ready groups, and strategic ballistic missile submarines, will be needed in the coming decades. While those naval forces will retain significant tactical and operational autonomy, he says, they will be increasingly dependent on national and other service assets for technical support, particularly in the critical areas of command, control, communications, and computers, intelligence, surveillance, and reconnaissance (C^4ISR). Deitchman calls for sustained improvements of the Navy through C^4ISR systems and smart munitions. He also calls for greater attention to countering the threats of mine warfare and of the quiet modern submarines entering service with a growing number of potentially hostile countries. In addition, Deitchman points out that in the global era, the Marine Corps will have to be prepared to achieve rapid success with minimal destruction in urban environments; with hostile populations, as well as with military or quasi-military defenders; and under the watchful eye of the international media. This requires continued training and tactical innovations such as those that have been under development in the Commandant's Battle Laboratory.

In the same spirit, Sam J. Tangredi (volume I) concludes that the Navy's traditional missions of sea control and protection of the lanes of communication in order to sustain the global economy will remain high priorities. Tangredi cites DOD studies

concluding that the Navy will need 360 ships, including some new variants, and 15 carrier battle groups (CVBGs): a force larger than today's 316 ships and 12 CVBGs. Bradd C. Hayes (volume I) emphasizes the importance of the Navy's maintaining its readiness to fight regional wars and lesser conflicts that threaten vital and important U.S. national security interests. Hayes sees the need for the Navy to meet the aforementioned new and old challenges while maintaining force levels, readiness, and modernization, but worries that likely budgets will not support all these efforts. Thus, he would limit the development of conventional naval forces designed primarily to hedge against greater than expected capabilities of regional powers, WMD, and major acts of terrorism, and rely on nuclear deterrent forces for this function.

Harlan K. Ullman and Gwyn Prins (volume I) offer alternative visions of the Navy's future priorities. They both dismiss the likelihood of major regional wars and large battles at sea. Ullman says that the Navy should focus less on command of the seas and more on influencing events ashore through effective peacetime engagement. He sees future naval missions as being heavily weighted toward operations designed to reassure friends and allies, restrain adversaries, and build coalition partnerships. He calls for further study of new ways to achieve influence, including training, military-to-military contacts, and combined operations with coalition partners. Ullman concludes that in this less demanding strategic environment, the Navy should exploit "effects-based targeting," alternative deployment patterns, and both the "knowledge revolution" and the "people revolution." These steps, he argues, could allow the Navy to conduct key missions with considerably reduced force levels, by producing ships that have increased weapons lethality and require greatly reduced crews and maintenance. This would free personnel and resources for what he sees as more peacetime shaping missions ashore. Prins assumes a similar strategic context and recommends that the Navy and Marine Corps focus more on maintaining capabilities suited to the low end of the spectrum—peace operations, humanitarian interventions, and lesser regional crises—and reduce their investment in ballistic missile submarines.

Timothy L. Terriberry and Scott C. Truver (volume I) remind readers that the Coast Guard has been in the vanguard in coping with many of the challenges of the global era, including operations against narcotics and smuggling, but also the negotiation and enforcement of conventions for maritime safety and environmental protection. Globalization, with its attendant growth in legal and illegal trade and transit, is placing new demands on the Coast Guard, such as pollution monitoring for vessels at sea, immigration control, protection of fisheries, humanitarian operations, and coping with asymmetrical threats to coastal areas. They argue that these tasks require recapitalization of the Coast Guard's aging deep-water capability. So, too, the Coast Guard, as a multimission law enforcement, humanitarian, and regulatory agency, as well as a military service, is well suited to support CINC theater engagement, particularly with emerging democracies that are building limited coastal defense forces.

Policymaking and Engagement for the Global Era

The contributions to these volumes show that the U.S. Government is inadequately organized to deal with the challenges of the global era. Pursuing the goals

and strategies that have been outlined calls for revamping the policymaking process and integrating the military and nonmilitary components of national power. The following broad conclusions about the U.S. Government's strategy and organization emerge from these two volumes:

> 1. Successful strategies and policies in the global era require much closer coordination between the economic, security, law enforcement, environmental, and science and technology policymaking communities in Washington.

There should be far more dialogue and structured interactions among the various elements of government than there are now, along with more coherent, high-level guidance and coordination. Because such a bureaucratic transformation would have to begin at the top, the President must set the tone. Such steps will likely require specific changes in each agency's personnel system in order to become institutionalized. These personnel systems should encourage rotational assignments and reward individuals who break down agency barriers, rather than protect them.

The Bush administration should undertake a comprehensive review of all interagency working groups in the policy areas noted above in order to assess areas of overlap and potential areas for better policy fusion. The Office of Management and Budget (OMB) might take the lead in such a process. The Bush administration should then consider unifying the National Security Council and the National Economic Council to ensure better integration of these policy streams. Another option, which merits careful review, would be to unify several major elements of the Executive Office of the President—the National Security Council, the National Economic Council, and parts of the Office of Science and Technology Policy and other White House offices involved with the effects of globalization; this body could report to the National Security Council or could become a new, integrated Executive Office of the President staff under the Special Assistant to the President for National Security Affairs. That individual would likely need two substantive Deputy National Security Advisors, one for economic and one for national security affairs.[9]

Joint meetings of the National Security Council and the National Economic Council are unusual, and their various interagency subgroups rarely communicate with one another. These separate organizational structures are unsuited to the challenges of the global era. A more integrated structure would ensure that the various elements of national policy required to respond to the challenges of the global era are given high-level guidance and formulated in relation to one another. The Department of State should consider similar measures to bridge the gap between its economic, regional, and international security bureaus.

DOD should take steps to ensure effective coordination of policy analysis and appropriate force planning by its elements with global and various regional responsibilities, including the major regional commanders in chief. The Pentagon also needs to find a workable bureaucratic mechanism to integrate economic, environmental, and cultural factors into its policy planning. These two functions might be served by a small group of senior planners with a mandate to provide direct,

cross-cutting support on global security affairs to the Under Secretary for Policy. The Service secretaries might consider developing a similar group of advisors.

The Treasury Department must consult with, and be consulted by, the full range of policy players, including DOD, to a far greater degree than in the past. For their part, Congressional leaders should take corresponding steps to break down the rigid division of responsibilities in their committee structure and have more joint committee hearings on legislation. Other economic agencies need to explore how they might factor international security and law enforcement considerations into their policy development at early stages. If such organizational changes were effected, U.S. international policies could reflect a tightly coordinated blend of financial, commercial, technological, and military resources and priorities. This new commingling could lead not only to meaningful changes in policy but also to better overall performance. Such reviews could cast foreign aid and military engagement in new light, as complementary elements of an overall strategy for crisis prevention and management.

> 2. The nonmilitary instruments of foreign policy require more robust funding to achieve key policy goals and work in a better balance with military instruments.

The ability to shape globalization rather than just react to it requires adequate resources and a better balance between "hard" and "soft" security. Armed Forces will still need robust funding to remain prepared to fight wars and conduct the demanding range of global era military operations outlined in the defense sections of these volumes. But this military strength needs to be supplemented by enhanced capabilities in other areas of statecraft.

Nonmilitary instruments of U.S. foreign policy, such as foreign aid, educational exchanges and scholarships, visitors' programs, public diplomacy, and contributions to humanitarian programs and multilateral organizations, are pitifully small in comparison with U.S. military power and global reach. Spending on these nonmilitary instruments has shrunk steadily over the last 20 years, from 4 percent of the Federal budget in the 1960s to 1 percent today. Inexpensive programs to promote democracy, the rule of law, and economic reform in some of the key countries buffeted by globalization, such as Russia and the new states of Eurasia, could yield enormous dividends and help prevent future crises.[10,11] These "soft power" activities can have enormous effect over time, and they are more important than ever today because even overwhelming military power is often of limited use in dealing with the social turmoil and other consequences of globalization. Moreover, more effective use of these nonmilitary shaping and crisis prevention instruments could reduce demands on U.S. and allied armed forces for peace operations. This would have a salutary effect on military readiness and preparations for major combat operations. Without a better stocked and more diversified toolbox, U.S. military forces will be under mounting pressure to solve problems for which military power is not well suited.

At the same time, as Michael J. Dziedzic (volume I) explains, the Executive Branch has recognized that the requirement for complex contingency operations abroad and at home has continued to grow. These demand more effective interagency and international civil-military coordination. Crisis and conflict management will

require better integration of all the tools of the U.S. Government, as well as leveraging of the capabilities of allies, partners, and NGOs, across a spectrum of activities, including humanitarian, economic development, law enforcement, and external security concerns.[12]

Generous educational and training programs, development assistance, credit programs, conflict prevention, and old-fashioned diplomacy should receive higher priority. Officeholders in these fields should have adequate budgets and staffs, as well as access to the White House. Their perspectives are essential to an integrated strategy.

> 3. The global era requires a streamlined, flexible, and integrated U.S. Government decisionmaking process adapted to the Internet Age and capable of responding quickly to fast-moving foreign crises.

Decisionmaking and military operations will have to become speedier, communications more direct, and organizations flatter and more streamlined. This change will be difficult because of the wide variety of perspectives that need to be built into an effective strategy. But compartmentalized activities will no longer suffice. This is as true in the Armed Forces as it is in the rest of the foreign policy community. As the former Commander in Chief of the U.S. Central Command, General Anthony C. Zinni, put it, "Napoleon could reappear today and recognize my Central Command staff organization: J–1, administration stovepipe; J–2, intelligence stovepipe—you get the idea. . . . This must be fixed."[13]

> 4. Policymakers and military planners need to be more aware of historical, technological, cultural, religious, environmental, and other aspects of world affairs than they have been to date.

More people with expertise in nonmainstream fields should be hired and utilized in mainstream positions. Nongovernment actors of all backgrounds should be consulted routinely by both diplomatic and military planners. Congressional staff visits to global trouble spots should be encouraged.

> 5. Building and maintaining coalitions with friends and allies to channel globalization in constructive directions and mitigate its harshest aspects should receive high priority.

As the military contributors uniformly agree, enlisting effective support from friends and allies warrants enhanced regional engagement activities by all branches of the Armed Forces, including the Coast Guard. Developing and sustaining such efforts may sometimes require political and/or military operational compromises, but the dividends are worth the risks.

Conclusion

Globalization holds great promise. It is broadly consistent with U.S. national security and foreign policy interests, as well as the long-term needs of most of the world's people. Over time, globalization promotes openness, encourages political and eco-

nomic reforms, strengthens the demand for the rule of law, fosters integration, and reduces the likelihood of conflict and resort to military force.

From a security perspective, the worrisome phrase is "over time." In areas of the world where poverty is widespread and institutions are weak, economic globalization is outstripping the development of public and private means to help ordinary people cope with its effects. In the near term, globalization can sharpen class differences, feed rampant corruption, fortify dictators, and arm criminal elements and terrorists. Shocks associated with rapid globalization, especially short-term financial flows, can shake up the body politic, throw more people into poverty, foment riots, and force a retreat from market-oriented reforms, whipping up anti-Americanism in the process. This uncertainty about globalization's impact warrants the maintenance of robust and flexible U.S. military capabilities for peacetime engagement, conflict management, and combat operations in diverse areas of the unstable "southern arc" noted earlier.

The overarching objectives of U.S. global policies (economic, development, and defense) should be to shape the emerging world order in ways that avoid disasters and channel the wave of globalization in directions that ease adaptation to rapid change and peaceful integration. The United States should avoid policies that polarize the global community and strive to promote global norms, as well as global systems, institutions, and rules. At the same time, U.S. policymakers should place a premium on the protection of regional, national, local, group, and individual autonomy based on diversity and free choice; reflected in strong, accountable, and flexible domestic institutions; and sustained by the rule of law. Finally, the U.S. defense establishment needs to work with other agencies and NGOs to enhance its engagement in the support of sustainable development; to nurture institutions and instruments of cooperative security, founded on widely shared norms and respectful of autonomy; and to contain, reduce, or prevent conflicts and other threats to a peaceful world order.

While the Armed Forces are the world's strongest today, they cannot afford to stand pat. Globalization and other dynamics are rapidly changing the world. New military technologies, doctrines, and structures are also fast appearing. In order to remain highly effective, U.S. forces, including the Navy, will need to change in responsive ways. Moreover, they must meet two different requirements: staying prepared for major combat missions while performing such global era operations as presence, engagement, strategic shaping, peacekeeping, humanitarian missions, and crisis interventions. A demanding future thus lies ahead for DOD and the Navy. Their ability to handle it will play a major role in determining whether the United States copes effectively with the new promises and stressful dangers of the globalizing world.

Notes

[1] Louis J. Freeh, statement for the record before the United States Senate, Committee on Appropriations, Subcommittee on Foreign Operations, Washington, DC, April 21, 1998.

[2] Michael D. Bordo, Barry Eichengreen, and Douglas A. Irwin, "Is Globalization Today Really Different from Globalization a Hundred Years Ago?" *Brookings Trade Forum 1999* (Washington, DC: The Brookings Institution Press, 1999), 1–50.

[3] Anton Lukas, *WTO Report Card III: Globalization and Developing Countries*, Trade Briefing Paper No. 10, The Cato Institute, June 20, 2000, 2.

[4] World Economic Forum Task Force, "From the Global Digital Divide to the Global Digital Opportunity," statement to the G–8 Kyushu-Okinawa Summit, July 21–23, 2000, <www.weforum.org>.

[5] Patrick Glynn, Stephen J. Kobrin, and Moisés Naím, "The Globalization of Corruption," in Kimberly Ann Elliott, *Corruption and the Global Economy* (Washington, DC: Institute for International Economics, 1997), 10.

[6] Thomas L. Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York: Farrar, Straus and Giroux, 1999) and Dani Rodrik*, Has Globalization Gone Too Far?* (Washington, DC: Institute for International Economics, 1997).

[7] Dennis C. Blair and John T. Hanley, Jr., "From Wheels to Webs: Reconstructing Asia-Pacific Security Arrangements," *Washington Quarterly* 24, no. 1 (Winter 2001), 7–17.

[8] See Barry Blechman, "Alternative Force Sizing Mechanism for the Department of Defense," unpublished interim briefing for the Department of Defense, September 2000.

[9] This approach has been advocated by former Deputy Assistant to the President for National Security Affairs, James Steinberg in an address to the National Defense University Globalization Project on October 18, 2000.

[10] Richard Gardner, "The One Percent Solution: Shirking the Cost of World Leadership," *Foreign Affairs* 79, no. 2 (July/August 2000), 3.

[11] Zbigniew Brzezinski, "Engaging Russia," *The National Interest*, no. 61 (Fall 2000), 5–16.

[12] See Presidential Decision Directive (PDD) 56, 62, and others.

[13] Anthony C. Zinni, farewell address, transcript of Robert McCormick Tribune Foundation—U.S. Naval Institute Address, March 2000, 8.